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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)	
)	
Petition of the California Public Utilities)	
Commission and the People of the State of)	File No. NSD L-98-136
California for Delegation of Additional Authority)	
Pertaining to Area Code Relief and to NXX Code)	
Conservation Measures)	
)	
Implementation of the Local Competition)	CC Docket No. 96-98
Provisions of the Telecommunications Act of 1996)	

REPLY COMMENTS OF SBC COMMUNICATIONS INC.

SBC Communications Inc. ("SBC") concurs with the overwhelming majority of comments filed by industry participants who oppose the petition of the California Public Utilities Commission ("Cal PUC") for delegation of additional numbering authority.¹ SBC does not repeat those arguments in this reply, but, instead, responds to AT&T Corporation's ("AT&T's") proposal that state commissions be allowed to conduct limited trials of thousands-block number pooling and addresses comments of MediaOne Group ("MediaOne") and the California Cable Television Association ("CCTA") concerning incumbent LEC ("ILEC") participation in any number pooling trial that might be authorized in the State of California.²

¹ See, e.g., Comments of AirTouch Communications, Inc. (filed June 14, 1999); Opposition of Bell Atlantic (filed June 14, 1999); Comments of the United States Telephone Association (filed June 14, 1999). See also Comments of MCI WorldCom, Inc., at 6-7, 11-12 (filed June 14, 1999) (opposing authority to conduct a number pooling trial and to reclaim number resources).

² See Comments of AT&T Corp. (filed June 14, 1999) [*AT&T Comments*]; Comments of MediaOne Group to the Petition of the California Public Utilities Commission and of the People of the State of California for Delegation of Additional Authority (filed June 14, 1999) [*MediaOne Comments*]; Comments of the California Cable Television Association to the Petition

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I. The Commission Should Reject AT&T's Proposal For Further Number Pooling Trials

AT&T proposes in its comments that state commissions be authorized to conduct limited trials of thousands block number pooling.³ But AT&T's proposal, in fact, merely demonstrates how such trials would not help state commissions, could not be done in a timely fashion, would have to be so limited due to carrier capacity constraints as to be effectively pointless, would be extremely costly, would require the Commission to prejudge many of the issues in the current rulemaking on numbering optimization,⁴ and likely would interfere with the Commission's efforts to develop a national numbering resource optimization policies.

First, AT&T's proposal would not benefit state commissions or avoid any area code relief in the short term. AT&T admits that state commissions should be required to implement area code relief before instituting a trial in any area code.⁵ State commissions, however, are seeking authority to perform number pooling trials in order to *avoid* having to implement such relief. The state commissions and carriers would not be able to avoid relieving a single area code by holding number pooling trials.

Second, additional state number pooling trials cannot be done in a timely fashion. AT&T (correctly) acknowledges that states have not submitted the type of detailed plans that

of the California Public Utilities Commission and the People of the State of California for Delegation of Additional Authority (filed June 14, 1999) [*CCTA Comments*].

³ See *AT&T Comments*, at 2.

⁴ See *In Re: Numbering Resource Optimization*, Notice of Proposed Rulemaking, CC Docket No. 99-200 (consol.) (released June 2, 1999) [*NRO NPRM*].

⁵ See *AT&T Comments*, at 7. The Commission has repeatedly recognized that number pooling would be less effective in area codes facing exhaust. See, e.g., *NRO NPRM*, at ¶ 150.

would be necessary for the Commission to authorize trials.⁶ AT&T proposes an expedited process for submission and review of such proposals. However, even under the expedited process suggested in AT&T's comments, number pooling trials would take *months* to institute – in fact, the first trial might not even begin before the Commission has adopted national numbering optimization policies.⁷ Further, with the trials implemented at the rate of one area code per month, as AT&T proposes,⁸ the industry and state commissions very likely would be put in the bind of having to implement the Commission's national policies at the same time as they are trying to roll out state trials.⁹

Third, number pooling trials could only be held in a handful of area codes, due to carriers' existing capacity constraints and the lack of "Efficient Data Representation" ("EDR") in the current Number Portability Administration Center ("NPAC") software. AT&T admits that,

⁶ See *AT&T Comments*, at 4.

⁷ Consider the following timetable. If the Commission granted the authority proposed by AT&T on the first of August – just two weeks after receiving comments on the petitions under its latest public notice (see "Common Carrier Bureau Seeks Comment on State Utility Commission Requests for Additional Authority to Implement Telecommunications Numbering Conservation Measures" [DA 99-1198] (released June 22, 1999)) – and a state commission prepared and submitted its detailed proposal for a number pooling trial just four weeks later at the beginning of September (which appears unlikely, if the state commission received public and industry input on the proposal), and the proposal were approved within the 90 day timeframe proposed by AT&T, the first state commission would receive approval at the beginning of December. That state would then have to conduct utilization surveys to *begin* the process of implementing the trial (and, of course, this would be at the same time (January, 2000) that Y2K compliance will be critical). Thus, it appears highly unlikely that any state commission could implement a number pooling trial until well into the year 2000 under AT&T's proposal.

⁸ See *AT&T Comments*, at 6 & n.15.

⁹ Given the timing, it is at best euphemistic to refer to such activities as "trials." These "trials" would not be conducted for the purpose of testing pooling, or to provide input and experience to regulators to assist in the formulation of regulatory policies. Instead, these "trials" appear to be nothing other than an effort to accelerate the implementation of number pooling.

with its national network, it has sufficient capacity to number pooling trials in only *eight area codes nationwide* – and only *three additional area codes* if Illinois is allowed to expand its current number pooling trial. AT&T also admits that other carriers have “even less available SCP capacity.”¹⁰ The amount of capacity available in any particular area depends critically on network engineering and design, and many carriers have substantially less available capacity in specific areas.¹¹ Thus, it is possible that the Commission would spend considerable time and effort authorizing pooling trials that would be held in only a couple of area codes.

Fourth, these trials would be extremely costly and time consuming to implement. AT&T admits that the pooling trials would need to employ “time-consuming manual procedures.”¹² These manual procedures will be substantially more expensive than the automated processes proposed for permanent number pooling – and number pooling would be extremely expensive even without these manual intensive processes.¹³ It makes no sense whatsoever to require carriers and commissions to incur these costs for number pooling trials that will provide little, if any, benefit. Moreover, these high costs will have to be reimbursed under whatever cost recovery methodology the Commission ultimately adopts for number resource optimization.¹⁴

¹⁰ See *AT&T Comments*, at 5.

¹¹ In fact, it is quite possible that some carriers may not be able to participate in any particular geographic area due to capacity limitations.

¹² See *AT&T Comments*, at 6.

¹³ See *NRO NPRM*, at ¶ 198.

¹⁴ See *AT&T Comments*, at 9-10.

Fifth, it is clear from the face of AT&T's comments that the Commission would necessarily have to prejudge many of issues in its NPRM if it adopted AT&T's proposal. Presumably, trials should be held only in areas where number pooling would be implemented on a permanent basis. Thus, the Commission will have to prejudge the cost-benefit analysis proposed in the NPRM and establish standards under which it determines which areas would be authorized for pooling. This is particularly a problem since more state commissions (four) already have requested authority to do pooling trials than capacity may permit, according to AT&T (three).¹⁵ The Commission also would have to choose which carriers would be required to participate in pooling trials, which would require the Commission to prejudge, in part, its current investigation into the relative costs and benefits of having different categories of carriers participate in number pooling and consideration of a "carrier choice" numbering optimization policy.¹⁶

On this last point – which carriers should participate in number pooling trials – AT&T contends that ILECs should be compelled to participate regardless of whether the costs of ILEC participation exceed the benefits. AT&T contends that ILECs should be forced to participate, not because of the benefits they would provide to a number pooling trial, but, instead, solely to ensure that ILECs are harmed and are forced to incur "the expense and administrative burdens" of number pooling trials.¹⁷ Although AT&T argues that such a policy is required by

¹⁵ See *AT&T Comments*, at 9-10.

¹⁶ See *NRO NPRM*, at ¶¶ 215-24. AT&T explicitly attempts to avoid any cost-benefit or "carrier choice" analysis, stating that all LNP-capable carriers should participate "without regard for the utilization levels they have achieved or other metrics." *AT&T Comments*, at 8-9.

¹⁷ See *AT&T Comments*, at 9.

“competitive neutrality,” it is difficult to conceive of a more competitively non-neutral justification: AT&T’s sole purpose and justification is to harm competitors by increasing their costs. If competitive neutrality means anything, it means that policies should not be designed or justified solely to advantage or disadvantage certain categories of carriers.¹⁸ Utilization requirements provide a truly neutral method to address the real problem – recovering the currently stranded and unused resources held by carriers – in a neutral, objective, and effective manner.

Finally, there should be no doubt that AT&T’s proposal, if adopted, would require that the Commission, state commissions, and the industry divert a substantial amount of time, energy, and resources away from the Commission’s current investigation of national number pooling policies. At this point, these efforts are better spent developing a national solution to numbering optimization than developing costly state trials that would provide limited benefits.

II. The Commission Should Reject the Arguments of MediaOne and CCTA Concerning ILEC Participation in A California Number Pooling Trial

MediaOne and CCTA argue in favor of the CPUC’s request for authority to do a number pooling trial on the grounds that ILECs should be compelled to participate in any California number pooling trial. MediaOne argues that a number pooling trial would be “costly

¹⁸ AT&T’s suggestion that high ILEC utilization is “merely an artifact of the ILEC’s historic monopoly” is simply inaccurate. Utilization is not increased or decreased by the existence or absence of competition. High utilization results from having a high number of customers holding telephone numbers from assigned resources in a particular area. Two-way wireless service providers have relatively high utilization of their numbering resources in a competitive marketplace. In fact, the ILEC’s obligation to serve as a carrier of last resort can actually decrease ILEC utilization rates, particularly in sparsely populated rural areas.

and useless” unless ILECs were required to participate.¹⁹ MediaOne rests this belief on the unsupported assertion that the ILECs “hold the majority of [central office] codes.”²⁰ This assertion is inaccurate, and MediaOne should know that it is. According to the June Local Exchange Routing Guide (“LERG”), there are *fewer* NXX codes assigned to Pacific Bell for local exchange service in the 310 NPA (139 total NXXs, or 18 percent of the 792 available) than assigned to the CLECs (144 total NXXs).²¹

Even if it were true that ILECs are assigned the “majority” of codes from an area code, the number of NXX codes held is irrelevant to the issue of number pooling in specific and number conservation in general. The relevant question is who has *unused* numbering resources. There is no doubt that the competitive local exchange carrier (“CLEC”) industry segment holds the overwhelming majority of underutilized numbering resources in the State of California today. Pacific Bell currently estimates that it utilizes over *80 percent* of the numbers assigned to it in the 310 NPA. If a number pooling trial were held today in the 310 NPA, it is almost certain that Pacific Bell would have no, or virtually no, number blocks available to contribute. In contrast, of the 1.44 *million* telephone numbers assigned to CLECs, the vast majority of these numbers (well over 1 million) almost certainly are unassigned and could be contributed to a number pooling

¹⁹ See *MediaOne Comments*, at 2. While a number pooling trial in California admittedly would be costly, the total amount of costs actually would be *lower* if ILECs do not participate.

²⁰ *Id.*

²¹ Pacific Bell has an additional 104 NXX codes for paging services and 4 NXX codes for special services (such as mass calling), which are not portable and could not be part of any number pooling trial. In addition, GTE also provides local exchange service in some portions of the 310 NPA, and it has 137 NXX codes assigned to it.

trial. The only point of forcing Pacific Bell to participate under these circumstances would be to make it incur the high expense of manually-intensive trial.²²

CCTA makes a similar factual inaccuracy in its comments when it contends that ILECs have “the largest cache of NXX codes” and “large embedded base of unassigned numbers.”²³ Precisely contrary to their claim, CLECs, not ILECs, are the ones that control a huge cache of unassigned telephone numbers. CLECs not only have access to all of the numbering resources assigned to them, but they also have access to all the full inventory of numbering resources assigned to or reserved by ILEC customers.²⁴ Thus, CCTA’s conclusions

²² Moreover, as SBC explained in its comments, there would be no benefit to holding a number pooling trial in California at this time, regardless whether ILECs participated. *See Comments of SBC Communications*, at 3-6 (filed June 14, 1999).

²³ *See CCTA Comments*, at 3, 4. CCTA uses this incorrect assertion to argue in favor of unassigned number porting (“UNP”), which CCTA contends should not be “abandoned” as a solution before it is “closely examined.” In fact, UNP was examined by the North American Numbering Council and found it to be an unacceptable numbering optimization option. *See In Re: North American Numbering Council Report Concerning Telephone Number Pooling and Other Optimization Measures*, North American Numbering Council Report Concerning Telephone Number Pooling and Other Optimization Measures, at § 6, NSD File No. 98-134 (Nov. 6, 1998). Moreover, the Cal PUC also examined UNP, as CCTA admits in its comments. *See CCTA Comments*, at 4. In any event, the Cal PUC did not request such authority, and the Commission should not grant authority to the Cal PUC that the Cal PUC did not request.

²⁴ As the Commission is well aware, Local Number Portability (“LNP”) was designed to resolve CLEC concerns about their ability to compete with ILECs numbering resources by allowing CLECs to provide service to customers using the customers’ existing telephone numbers. CCTA conveniently ignores the fact that the industry already has spent years and billions of dollars nationally to provide LNP, and it also ignores the fact that today, CLECs have access to all numbers assigned to or reserved by current ILEC customers. Therefore, all CLECs need are sufficient numbers for new customer requests – it certain appears more than 1 million spare telephone numbers should be sufficient for CLECs to meet new customer requests for the indefinite future.

against overlays and other numbering policies,²⁵ which are clearly based on its incorrect view of the facts concerning which carriers have available numbering resources, are equally erroneous.

The unstated assumption underlying CCTA's comments is that numbering policy should be used by regulators to artificially "skew" competition. Thus, CCTA argues that CLECs offering residential service should be given a preference in the allocation of numbering resources, and it generally argues that numbering policy should be used to further competition policies.²⁶ Such policies would be clearly contrary to Congress's command that numbering resources be administered in an equitable and competitively-neutral manner.²⁷ This thinking – that numbering administration should be used to further potentially conflicting policy objectives – is precisely the type of thinking that has exacerbated the numbering crisis in the State of California. Numbering policies need to be designed to provide sufficient numbering resources for all carriers, not to benefit some carriers at the expense of others.

Finally, SBC shares with state commissions the burdens of public dissatisfaction caused by the current rapid pace of area code relief in many areas of the country. However, it is absolutely essential that state commissions continue area code relief where necessary while the Commission conducts its investigation of code conservation measures. In the few short weeks since release of the Commission's NPRM regarding numbering resource optimization, at least one state commission already has suggested delaying area code relief until the Commission adopts national policies. In ruling on the petitions of California and other states, the Commission

²⁵ See *CCTA Comments*, at 3-4.

²⁶ See *CCTA Comments*, at 4.

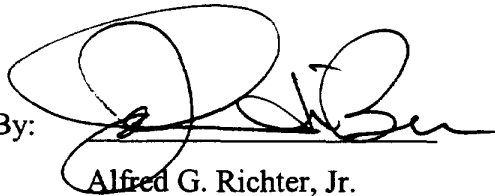
²⁷ See 47 U.S.C. § 251(e)(1) & (2).

should reinforce to state commissions that they must continue to provide area code relief in a timely fashion while the Commission completes its work on the NPRM.

In sum, the Commission should reject AT&T's proposal to authorize states to conduct numbering pooling and the arguments raised by MediaOne and CCTA in their comments. For the reasons stated in SBC's comments and the reasons stated in these reply comments, the Commission should deny the CPUC's request for additional numbering authority.

Respectfully submitted,

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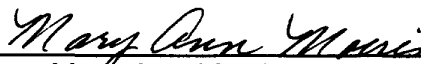
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Date: June 28, 1999.

CERTIFICATE OF SERVICE

I, Mary Ann Morris, do hereby certify that copies of the "Reply Comments of SBC Communications Inc." in File No. NSD-L-98-136, CC Docket No. 96-98 were served by first class United States Mail, postage prepaid, upon the parties appearing on the attached service list this 28th day of June, 1999.

A handwritten signature in cursive script, reading "Mary Ann Morris", is written over a horizontal line.

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June 28, 1999

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